Rural Banks (RRBs) to keep their surplus funds with their respective sponsor banks.

(b) A representation has been received from RRBs employees Association to the effect that UCO Bank has directed RRBs sponsored by it to keep its surplus funds with the sponsor bank.

(c) and (d) Although the rate of interest payable on the surplus funds of RRBs kept with sponsor bank/non-sponsor bank is to be mutually settled, NABARD having regarding to the weak financial position of RRBs has advised the sponsor banks to consider paying a minimum of 13.5% interest on the balances kept with them by the RRBs for a period of 15 days and above.

C.B.I. Enquiry against Executive Director of Punjab and Sind Bank

3445. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there was a C.B.I. enquiry against the present Executive Director of Punjab and Sind Bank at the time when he was the General Manager of New Bank of India;

(b) if so, whether the C.B.I. has now awarded/recommended penal action against him; and

(c) what steps Government propose to take in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) As per available information, Central Bureau of Investigation had conducted discreet enquiry/verification in the matter of hiring of premises at Amritsar by New Bank of India in the year 1982 and brought this to the notice of Government for suitable departmental action against two officers of New Bank of India, including the then Deputy General Manager, who is at present Executive Director in Punjab & Sind Bank. The matter was examined in consultation with New Bank of India and Central Vigilance Commission (CVC). CVC has now recommended closure of the case as no malafide was established against the concerned officers.

Profits earned by Foreign Banks due to Partial convertibility of Rupee

3446. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some prominent Foreign Banks operating in the country have raked in hefty profits in the foreign exchange market immediately after the partial convertibility of the rupee came into force from March 3, 1992 under the Reserve Bank of India's Liberalised Exchange Ratio Management System;

(b) if so, which are these Banks and what is the estimated amout involved in each case;

(c) whether these profits are taxable in India and whether any portion thereof can be repatriated by these banks to their Head Offices; and

(d) if so, what are the details thereof and also the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Enquiries about Mutual Funds from SEBI

3447. SHRI SURESH KALMADI:
SHRI BHUBANESHWAR KALITA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Securities and Exchange Board of India has received more than 100 enquiries from the varied interests in the private sector about the modalities for setting up of mutual funds; and

(b) if so, what are the details thereof and what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Securities and Exchange Board of India (SEBI) has received enquiries regarding setting up of mutual funds from various entities viz. finance companies, merchant bankers, manufacturing and trading companies, stock brokers and

professionals. Government have issued Guidelines for the development of mutual funds which provide, inter-alia, for authorisation of mutual funds by SEBI. SEBI has accordingly sent application forms to all those who have shown interest in setting up mutual funds.

Efforts to Upgrade Country's Credit Rating

3448. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state :

(a) what precise efforts have been made by Government to promote greater international confidence in the Indian economy for getting the country's credit rating upgraded to gain access to the international capital market in the immediate future; and

(b) what achievements, have been made in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) and (b) The Government which assumed office in June, 1991 put in place an adjustment strategy involving macro-economic stabilisation measures such as fiscal correction, tight monetary policy, exchange rate adjustment and structural reforms in industry and trade policy. As a result, the short-term liquidity crisis on India's external sector was overcome and the international confidence in the Indian economy was restored. The Budget for 1992-93 presented to the Parliament on February 29, 1992 carries forward the adjustment and reform process through a package of new measures.

As a part of the normal credit rating exercise, several international credit-rating agencies continuously monitored the performance of the Indian economy. An indication of positive attitude is available from the decision, dated March 18th, 1992 of The Japan Bond Research Institute to remove us from " The Rating Reappraisal Scheme" also known as 'Credit Watch'.

Relief to A.P. under Agricultural and Rural Debt Relief Scheme

3449. DR. YELAMANCHILI SIVAJI : Will the Minister of FINANCE be pleased to state:

(a) what is the total relief provided to Andhra Pradesh under A.R.D.R. Scheme;

(b) how much amount is being reimbursed by the RBI/Government to various lending institutes—nationalised banks, R.R.Bs and Co-operatives; and

(c) by when Government propose to complete the reimbursement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (d) The National Bank for Agriculture and Rural Development (NABARD) has reported that as on 24th February, 1992, necessary relief under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 was provided to 29.93 lakh beneficiaries to the extent of Rs. 883 crores by the public sector banks, cooperative banks and regional rural banks in the State of Andhra Pradesh. The NABARD has also reported that as on 7th March, 1992, a sum of Rs. 222.30 crores was sanctioned and released to Andhra Pradesh State Cooperative Bank (APSCB) and Andhra Pradesh State Land Development Bank (APSLDB) for the implementation of ARDR Scheme. This comprises Rs. 111.15 crores as grant towards Central Government's share and Rs. 111.15 crores as loan by the Reserve Bank of India to APSCB and APSLDB for meeting State Government's share of the debt relief. In addition to this, NABARD has also sanctioned a sum of Rs. 64.15 crores to the Regional Rural Banks in the State of Andhra Pradesh out of which a sum of Rs. 59.94 crores has since been released.

(c) It is expected that the remaining amout will be provided in the next year, subject to the verification of claims and the avilability of funds.